

Recognizing and Avoiding Greenwash

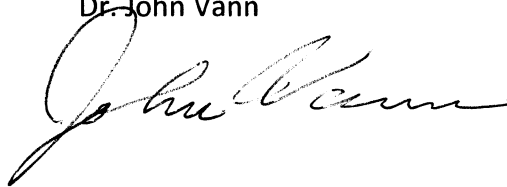
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by

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A handwritten signature in black ink, appearing to read "John Vann", with a large, stylized initial "J" and a long, sweeping underline.

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ABSTRACT

As green claims on product packaging flood the marketplace, the opportunities for companies to market their products as environmentally friendly has significantly increased over the past decade. Consumers are concerned about their impact on the environment and want to purchase products that are safe and eco-friendly. Unfortunately, some companies have taken advantage of this growth in demand by marketing products as green when they are not necessarily better for the environment. These companies are placing false claims on product packaging, which is a type of misleading environmental marketing called greenwash.

This paper will discuss what greenwashing is, why it's a problem, what is being done to prevent it, and how consumers can avoid it. The purpose of *Recognizing and Avoiding Greenwash* is to educate the reader about the characteristics of greenwash and provide them with steps for determining if a green product is legitimate. This paper will also provide the reader with a better understanding of green claims and certifications. Since green products are becoming mainstream, it's important for consumers to understand green claims to ensure that they are purchasing products that are truly better for the environment and not simply portrayed as better through greenwashing.

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INTRODUCTION

As people become more aware of the impact they have on the environment, they recognize the importance of changing the way they consume products and services. Over the past decade, there has been an explosion of green products entering the marketplace to meet consumer demand. Along with an increase in green purchases, there's been a rise in eco-labels and green advertising. However, the trend in environmentally friendly products has created an opportunity for just about anything to be marketed as green. Terms like "green, eco-friendly, all natural, and organic" seem to be used interchangeably on packaging and in ads. However, a single definition for these terms has not been universally accepted. Consumers are also bombarded with green certifications, which only add to their confusion. The marketplace for green products lacks concrete standards and regulations, bringing about the question: How do consumers know if a green product is truly green?

BACKGROUND

Green Marketing

As consumers become more concerned about the environment, businesses have begun to change their behavior to address these concerns. Some businesses have been quick to change all aspects of their organization to become more sustainable, while others have yet to change their ways. The area of business that has seen the most change in the last two decades has been marketing. The term green marketing is used to refer to the activities a company does to modify its products and services to become environmentally friendly (Polonsky 1994).

The American Marketing Association provides three definitions of green marketing.

The retailing definition defines green marketing as the marketing of products that are presumed to be environmentally safe. According to the social marketing definition, it's the development of products designed to minimize negative effects on the physical environment or to improve its quality. Lastly, the environments definition defines the term as the efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns (American Marketing Association 2009).

Green marketing is also referred to as environmental marketing, ecological marketing, and eco-marketing (Ward 2009). The assumption of this practice is that consumers will be willing to pay more for products that are better for the environment (Ward 2009).

According to a recent Reuters survey, 82 percent of U.S. consumers are buying green products despite the current economic recession (J. Ottman Consulting 2009a). The marketplace for green consumer products is estimated to be over \$209 billion, and that number is expected to grow to \$420 billion by the year 2010 (J. Ottman Consulting 2009b, Natural Marketing Institute 2009). It's no wonder companies are jumping on the bandwagon to market and produce green products. As the demand for environmentally friendly products increases, so do the opportunities for companies.

The Green Consumer

Attitudes towards consumption are changing as consumers become more aware of green issues. Nearly three-quarters (72%) of Americans say they know a lot or a fair amount about environmental issues and problems (Makower 2009). Recent studies have also revealed that perceptions of environmental, ethical, and social stewardship are the fastest growing contributors to consumer brand value (Good and Green 2009a). This increase in consumer knowledge has led to an increase in the demand for green products and responsible brands. Green is now mainstream as more consumers embrace sustainable initiatives.

The Natural Marketing Institute separates consumers into five segments based on their attitudes toward green products and environmentally friendly lifestyles (GreenBiz 2009). The first consumer group is LOHAS, which stands for Lifestyles of Health and Sustainability. Seventeen percent of consumers belong to this segment because they purchase green goods and are active in environmental stewardship. Those who focus on health and organic goods but are not politically active in environmentalism belong to the Naturalites segment and make up 17 percent of the market, as well (GreenBiz 2009). Drifters are another consumer group that 24 percent of the market belongs to. They have good intentions but various factors other than the environment influence their behavior. With the highest percentage of consumers belonging to this group, Conventionals do not have "green attitudes" but take mainstream actions, such as recycling and conserving

energy. The last group of consumers is the Unconcerned. Sixteen percent of adults belong to this segment because they do not conduct behavior that prioritizes the environment or society (Natural Marketing Institute 2009).

Another important consumer type making purchases in the green marketplace is the American Mom. A recent Mom Central Consulting survey found that 81 percent of these powerful consumers consider themselves to be green (Good and Green 2009b). One of the key reasons they are purchasing green products is because of their concern for the safety and well-being for their family. In addition to that, they want to protect the environment for future generations. Many companies are focusing their green marketing efforts to this segment because most moms tend to be the main purchaser for a family.

Greenwashing

Each day, consumers are bombarded with advertising about environmentally friendly products and services (Greenpeace 2009). There are a plethora of products claiming to be “sustainable, environmentally-safe, and made from recycled materials.” When the thousands of different green certifications are thrown into the mix, it’s hard to determine which ones are legitimate. The absence of a clear understanding of what “green” really means has caused consumer skepticism towards green claims. As more products and eco-labels flood the market, it’s becoming harder for the average person to tell the difference between companies whose products are environmentally friendly and those making false claims.

Some companies have taken advantage of this confusion, making false assertions about the environmental benefits their product has to offer. The term greenwash is used to describe the act of misleading consumers regarding environmental practices (Greenpeace 2009). In short, greenwash can be defined as “little green lies” (GreenBiz 2009). As the market for eco-friendly goods grows, companies are becoming more eager to tap into the consumer’s environmental consciousness and will market just about anything as green. Due to the lack of standards for determining what constitutes a green product, marketers have come up with creative ways to make green claims. By making simple packaging changes, companies can

convey their products as being safe for the environment. Greenwash watch groups are gaining in popularity as consumers begin to catch on to companies' tactics.

There are three types of greenwash: misguided greenwash, unsubstantiated greenwash, and greenwash noise (GreenBiz 2009). Companies that fall into the misguided category of greenwash have made efforts to improve their environmental performance but are unable to communicate these efforts effectively (GreenBiz 2009). They tend to make general claims like "eco-friendly" without specifically stating *how* their product is good for the environment. The next category is unsubstantiated greenwash, which is made up of companies that do not deserve the amount of credit they are receiving. They put a lot of effort into communicating their green initiatives with the public, but may be taking part in activities that go against environmental sustainability. The last type of greenwash, green noise, occurs when a company says they are green but does not have much to back up their claim (GreenBiz 2009).

Consumers should not be the only ones concerned with greenwash. Companies should worry about the problem too. Greenwash is bad for the entire industry because the more companies are seen as greenwashing, the less likely customers will trust environmental claims in general (GreenBiz 2009). According to a 2009 Edelman study, consumer trust in business is at an all-time low. Their research showed that trust in advertising is down to 13 percent, and only 21 percent of consumers trust company websites (GreenBiz 2009). Ultimately, greenwash can slow down sustainability efforts and act as a barrier to developing a sustainable economy (GreenBiz 2009). When making green purchases, it's important for consumers to know what to look for to determine if a company's claims on a product are legitimate or if they are a result of greenwashing.

GREEN MARKETING REGULATIONS

Currently, there are no universally accepted guidelines for using green marketing claims in advertising and product labeling (Ottman 1993). In 1992, the Federal Trade Commission issued voluntary guidelines for environmental marketing to help ensure that green claims are not deceptive and are adequately supported. However, these guidelines are not enforced by law (Ottman 1993). Since there are no

federal laws regulating green marketing, there is a lot of uncertainty among companies and consumers. Adding to the confusion, many states have passed their own labeling laws, which differ from the FTC's guidelines. Some of the states with legislation about green claims include California, New York, Rhode Island, Indiana, and Florida. Other organizations that aid in the regulation of green marketing claims are the Environmental Protection Agency and the National Advertising Division.

Federal Trade Commission

The FTC issued its Guidelines for Environmental Marketing or “Green Guides” as a result of an increase in deceptive environmental claims made by companies during the late 1980s. These guidelines are intended to prevent greenwashing – the false or misleading use of green advertising claims. The guides describe various green claims and illustrate ways to communicate those claims to customers in a clear manner (Coddington 1993). They outline principles that apply to all environmental claims and address the use of eight commonly used green marketing claims (Coddington 1993). The following four general principles for environmental claims are outlined by the Green Guides:

- qualifications and disclosures should be sufficiently clear and prominent to prevent deception;
- claims should make clear whether they apply to the product, packaging, or just a component of either;
- claims should not overstate or exaggerate environmental benefits; and
- comparative claims should be clear to avoid consumer confusion (Federal Trade Commission 2009).

The FTC does not go into much detail regarding these principles. Instead, examples of how companies can use environmental claims in the correct way are used to provide an explanation to the reader.

The Green Guides advise companies not to use general environmental claims because “specific environmental claims are easier to substantiate than general claims and less likely to be deceptive” (Federal Trade Commission 2009). Like its discussion about the general principles for environmental claims, examples are used to show how general claims can be misinterpreted by the consumer. The guides also discuss the

proper use of eco-seals in advertising and on product packaging. The FTC recommends that eco-seals and certifications be “accompanied by information that explains the basis for the award” because it implies that a product is environmentally superior to other products (Federal Trade Commission 2009).

The FTC’s Environmental Marketing Guides has not been updated since 1998. Because of the increase in green advertising claims, the FTC began reviewing its Green Guides in 2007. As part of the review, the FTC held a number of public meetings and workshops to address different green marketing topics (Environmental Leader 2007). The new version of the Green Guides will clarify the legal parameters for environmental claims made by companies to consumers (Heath 2009). The revised guides will also address questions such as “What does it mean to promise that a product or service is green or sustainable, and what steps has a company taken to earn a third-party certification or seal stating that the company’s products or services do not cause harm to the environment?” (Heath 2009). The updated guides have not been published yet, but the FTC is working to ensure that green claims are substantiated.

Environmental Protection Agency

The Environmental Protection Agency plays a role in regulating green marketing claims by providing standards by against which claims can be tested. The standards were not developed for that purpose; however, consumers can use them to determine if a product’s claims are accurate.

The EPA’s mission is “to protect human health and the environment” (Environmental Protection Agency 2009a). One of the ways they accomplish this mission is by developing and enforcing regulations. When Congress passes an environmental law, this government organization implements it by writing regulations. They set national standards and help companies to understand the requirements (Environmental Protection Agency 2009a). EPA regulations cover a wide range of environmental issues including standards on controlling air pollution, energy consumptions, and chemical use (Environmental Protection Agency 2009b). The EPA provides a plethora of standards by which green claims can be substantiated. For example,

if a product claims to be degradable, it can be tested against standard ASTM D5338-98 (2003), which is a standard test method for determining aerobic biodegradation of plastic materials under controlled composting conditions (Hartwell 2009). Several standards may apply to a green claim.

The EPA is a government certifier that provides certifications to companies whose products qualify for them. Their certifications include: Energy Star, Design for the Environment, Smart Way, and Water Sense (Carolyn 2009). Its Energy Star certification is a label for energy efficient appliances, electronics, office equipment, heating and cooling systems, and houses. The Design for the Environment certification is for household and cleaning products that are made safer for people and the environment by substituting harsh chemicals with alternatives (Environmental Protection Agency 2009c). Smart Way is label that represents environmentally cleaner, more fuel efficient transportation options (Environmental Protection Agency 2009d). The certification identifies products and services that reduce transportation-related emissions. The EPA's other certification, Water Sense, helps consumers identify water-efficient products (Environmental Protection Agency 2009e).

The EPA is also a great place for the public to get information to help identify truly green products. Its website contains information about environmental research, regulations and recommendations, and educational materials (Trethan 2009). The agency's website provides companies and consumers with information about issues such as global warming, greenhouse gas emissions, fuel economy, and air quality standards. The EPA also has laboratories located throughout the nation to do help identify and solve environmental problems (Environmental Protection Agency 2009a). The research is made available to the public through published reports. The EPA has numerous partnerships with other government agencies, non-profit organizations, and businesses that help share information about issues like conserving water and energy, minimizing greenhouse gases, and recycling (Environmental Protection Agency 2009a).

National Advertising Division

The National Advertising Division (NAD) of the Council of Better Business Bureaus is a nongovernmental organization that is working to promote accuracy through green marketing. Like the FTC, it provides companies with voluntary, self-regulating guidelines. Their mission is to review national advertising for truthfulness to maintain the credibility of advertising (National Advertising Division 2009). If NAD finds that a company has made false advertising claims, it asks that company to voluntarily remove them. Although the NAD's self-regulatory process is widely accepted across industries, its practices are not universal.

The NAD believes that “as consumers cannot typically verify for themselves the truth of environmental claims, advertising self-regulation is particularly important, and plays an increasingly significant role in ensuring that such claims are truthful, non-misleading and adequately substantiated” (National Advertising Division 2009). While the organization does not have written regulations about green claims, it polices companies by testing claims for accuracy. If a complaint is filed against a company for misleading claims it has in its advertising, the NAD's experts will review the company's claims and make recommendations. Since implementing the recommendations is voluntary, it's up to the company to decide whether to make the changes or not.

For example, the NAD recently recommended that Solo Cup Company discontinue certain green advertising claims for the company's Bare Disposal Plates (Bean 2009). The organization investigated claims that stated the products were made from bamboo after a complaint was filed by one of their competitors. During the investigation, the products were sent to a laboratory for testing, which concluded that all of the samples tested were, in fact, made with at least 50 percent bamboo (Bean 2009). However, since the bamboo fibers were not readily identifiable, Solo Cup was asked to remove any references to bamboo in their advertising. The company complied with the recommendation and changed its advertising to focus on the “renewable-resource aspect of the plates” (Bean 2009).

The NAD is involved with similar situations in many different industries. The organization provides companies with a low-cost alternative to legal action when it comes to regulating advertising claims. The wide support of NAD has helped to ensure a level playing field for competitors in different industries as the organizations strive for truth in advertising.

Although the FTC, EPA, and NAD offer voluntary guidelines for making environmental claims, their suggestions are not always taken into account by companies. Until there is a concrete set of laws regulating green marketing, greenwashing is likely to continue to be an issue.

ENVIRONMENTAL CERTIFICATIONS

Green product certifications and labels are everywhere (Zimmerman 2005). From product packaging to advertisements and companies' websites, consumers are bombarded with the trademarks and symbols of numerous environmental certifications. Although green certifications can be a good indicator of truthful green claims, the vast numbers of them are overwhelming and confusing to purchasers. Therefore, it's important for consumers to understand what a green certification is and how to determine if the certification is legitimate.

About Green Certifications

Green certifications, also known as environmental certifications or eco-labels, are "any consumer facing logo that claims an added environmental or social benefit" (EcoLabelling 2009). They verify that a product meets specific standards and are supposed to offer a way for consumers to determine a product's green qualifications (Zimmerman 2005). The goals of most eco-labels are to "validate specific environmental criteria and create awareness for environmentally responsible" products (Zimmerman 2005). When used properly, green certifications and labels can help the consumer during the purchasing process by giving them confidence that the product is truly environmentally friendly (Zimmerman 2005).

There are three types of certifications: first-party, second-party, and third-party certifications (Conroy 2007). The differences in these certifications lie in who verifies that the product or service has met specific standards. Knowing what type of certification an eco-label is can help the consumer determine if it is

legitimate. First-party certification means that “the company itself is the sole judge of how well it has fulfilled its own public commitments” (Conroy 2007). These types of certifications have little credibility since the company is auditing itself. A second-party certification “exists when an industry has an association that creates some standards for its members and then verifies in its own way whether the members meet those standards” (Conroy 2007). This type of certification has more credibility than first-party certifications, but some people doubt the ability of industry associations to police environmental standards, as they may be biased. A third-party certification is “the highest level of certification available,” and involves annual audits that are done by an independent outside organization (Conroy 2007). Ideally, third-party certifications are the best way to substantiate green claims.

Evaluating Certifications

Transparency is an important factor in evaluating a green certification. The public should have access to the standards and methods that the certifier uses for certifying products and services. If a certification can simply be purchased by a company without meeting a set of standards, then it’s not a reliable certification.

All certification systems should have the following characteristics in common:

- There is a set of standards that must be met in order to achieve the certification.
- There is a process for verifying that a product, service, or person has met those standards.
- There is a “certification mark,” logo, or seal that identifies the standards and the verifications that have been fulfilled.
- There is a system for auditing to ensure that the certification mark is being properly used and that the product or service continues to meet the standards over time (Conroy 2007).

When researching environmental certifications, consumers should look for the information listed above.

It’s important to take a close look at each certification program to determine if it yields an overall green product. Consumers must understand that green certifications don’t necessarily mean that an entire product is environmentally friendly. For instance, some certifications may only certify particular ingredients

in a product while others certify single attributes. The Certified Organic by GOCA label is an example of a certification that only certifies particular ingredients of a product (GOCA 2009).

Websites such as Ecolabelling.org and GreenerChoices.org help consumers determine what green certifications really mean. Ecolabelling.org aims at providing standardized information about nearly 300 eco-labels. The goals of the site are to “gather all eco-labels in the world onto one common platform, provide standard data and analysis on those eco-labels, and help companies buy and sell eco-labeled products and services” (EcoLabelling 2009). It provides consumers with “trustworthy and transparent information” about eco-labels by telling consumers who manages each label, how it is verified, how long the certification lasts, and how often recipients are audited (Stroud 2009).

GreenerChoices.org is a part of ConsumerReports and helps consumers figure out the meaning of eco-labels. Consumers can search by label, certifier, or product category to determine which green certifications are trustworthy. The site’s search tool gives consumers an “expert evaluation of the label” to aid in purchasing decisions (GreenerChoices 2009). The website also educates consumers about what makes a good eco-label. According to GreenerChoices.org, the best eco-labels are meaningful and verifiable, consistent and clear, transparent, independent, and should have standards that are developed by multiple stakeholders (GreenerChoices 2009).

Reputable Green Certifications

One way for consumers to avoid greenwash is by seeking reputable green certifications. Websites such as the ones discussed in the previous section and National Geographic’s thegreenguide.com can help consumers find reliable green certifications. Environmentally Preferable Product (EPP), EcoLogo, Green Seal, and USDA Organic are a few of the trustworthy certifications in the green product marketplace.

Environmentally Preferable Product (EPP)

The Scientific Certification Systems (SCS) provides a third-party certification, Environmentally Preferable Product, which “takes into account the full ‘cradle-to-grave’ consequences of a product’s manufacture, use, and disposal” (Scientific Certification Systems 2009). To earn the SCS’s Environmentally

Preferable Product certification, “products must be tested and verified to the specific criteria” set by the SCS (Zimmerman 2005). The criteria states that the product must demonstrate significant environmental benefits over its entire life cycle, and there must not be any major environmental tradeoffs (Scientific Certification Systems 2009). Before a product can be EPP certified, a declaration is prepared, detailing the product’s performance in each impact category (Scientific Certification Systems 2009). For a product to be recognized as environmentally preferable, it must successfully reduce the impact it has on the environment.

The EPP certification applies to paints, furniture, floor coverings, plastics, home and garden products, and jewelry. Spot Shot®, Earth Sense™, and Good Sense® are a few household product brands with EPP certifications (Scientific Certification Systems 2009). The Scientific Certification Systems also awards certifications based on climate impact, forest management, indoor air quality, recycled and material content, and agricultural practices (Scientific Certification Systems 2009).

EcoLogo

Operating under the environmental marketing firm Terra Choice, EcoLogo is a third-party certification for environmentally preferable products (Greenwalt 2009, EcoLogo 2009a). The label is recognized by the International Organization for Standardization (ISO) as meeting ISO14024 standards for eco-labeling. EcoLogo audits products based on “rigorous and scientifically relevant criteria that reflect the entire lifecycle of the product” (EcoLogo 2009a). The certification program has a five step process for developing standards and criteria for its label, and all standards are available for review.

To view the standard and criteria for obtaining an EcoLogo, consumers can search for them by product category on the EcoLogo website. For example, under the consumer products category, for a candle to earn an EcoLogo certification, it must meet standard CCD-130. The verification and licensing criteria document lists the general requirements, product specific requirements, verification, and conditions for EcoLogo use (EcoLogo 2009b).

The EcoLogo certification applies to numerous products and services in 200 different categories ranging from bags and bodywash to air travel and carwashes. White Cloud bath tissue is one of the many consumer products certified by EcoLogo.

Green Seal

Green Seal is an “independent, non-profit organization that uses science-based” environmental standards to certify products (Green Seal 2009a). The organization helps “manufacturers, purchasers, and end users alike make responsible choices that positively impact business behavior and improve quality of life (Green Seal 2009a). The goal of Green Seal’s standards is “to identify sustainability leadership performance levels and practices for products and services” (Green Seal 2009b). When certifying products, Green Seal looks at the entire lifecycle of the product to determine its impact on the environment (Greenawalt 2006). The life-cycle standards are developed based on characteristics of being “independent, open, and transparent” (Green Seal 2009b). The organization’s standards are also developed to follow the ISO guidelines, as well as some from the American National Standards Institute (Green Seal 2009b).

Green Seal certifies construction materials, household products, products in food and food service, facility operations, and office supplies. The consumer products included in its household product category include cleaning, personal hygiene, and wood products such as napkins and paper. Popular brand names with Green Seal certifications are Simple Green Naturals, Oxy Clean, Kleenex, Earth Sense, and SCOTT. All products and services with a Green Seal certification are listed on Green Seal’s website (Green Seal 2009c).

USDA Organic

The USDA Organic “label assures consumers that the organic agricultural products they purchase are produced and processed” to national organic standards (USDA 2009d). The certification process is implemented by the government-run National Organic Program, which develops and “administers national production, handling, and labeling standards” for the USDA Organic certification (USDA 2009b). The program regulates the standards for any farm, wild crop harvesting, or handling operations that want to sell organic agricultural products (USDA 2009b). The standards for the certification are developed by the National

Organic Standards Board, which was formed in part of the Organic Foods Production Act of 1990 (USDA 2009c).

The standards and regulations for the certification are listed in the Organic Foods Production Act. To become certified, the organization reviews the history of substances applied to the land for the past three years and the practices and substances being used in production. The applicant is required to keep accurate post-certification records for five years concerning the production, harvesting, and handling of products to be sold as organic (USDA 2009d). Once the paper work is completed and reviewed, USDA certifying agents inspect the applicant's operations to determine if a USDA Certified Organic label will be awarded to the business.

The USDA Organic certification can be applied to raw, fresh, and processed products that contain organic agricultural ingredients (USDA 2009d). Such products include produce, meat, fabric, cosmetics, and personal care.

HOW TO AVOID GREENWASH

As green products flood the market, concerns about greenwashing have increased. While some businesses are committed to helping the environment, others are in the green marketplace for the money. Corporations are doing whatever they can to convince consumers that their products are "environmentally friendly." Without a reliable, regulating body to police the industry for false green claims, consumers are left with the responsibility of distinguishing among those companies who are genuinely green and those who are not. To avoid greenwashing, it's important for consumers to know what to look for on green products' packaging and how to evaluate the information that's provided to them.

Signs of Greenwash

In an effort to understand and describe greenwashing, TerraChoice Environmental Marketing Inc. conducted a survey of consumer products in "category-leading big box stores" (TerraChoice 2009). Through their surveys, they found 2,219 consumer products bearing 4,996 environmental claims (TerraChoice 2007). The claims were tested against best practices and guidelines set by the U.S. Federal Trade Commission,

Competition Bureau of Canada, Australian Competition & Consumer Commission, and the ISO 14021 standard for environmental labeling (TerraChoice 2009). The organization researched the answers to the following questions: Is the claim truthful?; Does the company offer validation for its claim from an independent and trusted third party?; Is the claim specific, using terms that have agreed-upon definitions?; Is the claim relevant to the product it accompanies?; and does the claim address the product's principal environmental impact(s) or does it distract consumers from the product's real problems? (Makeower 2009b).

Based on the survey results, TerraChoice identified seven patterns of greenwashing, which they call “The Seven Sins of Greenwashing™” (TerraChoice 2009). The seven sins are:

1. Sin of the Hidden Trade-off
2. Sin of No Proof
3. Sin of Vagueness
4. Sin of Worshiping False Labels
5. Sin of Irrelevance
6. Sin of Fibbing
7. Sin of Lesser of Two Evils (TerraChoice 2009).

Over 98 percent of the products that were researched committed at least one of the “sins” (TerraChoice 2009). The Seven Sins of Greenwashing are signs that consumers should look for to determine if a green product is legitimate.

Hidden Trade-Offs

A hidden trade-off occurs when a company highlights one of its product’s “green” attributes but ignores other attributes of the product that may cause environmental concerns. For instance, a product may say that it’s made from recycled content but a lot of energy was actually used to produce it. These types of claims may not necessarily be false, but they are used “to paint a greener picture of the product than a more complete environmental analysis would support” (TerraChoice 2007). Consumers should consider the entire lifecycle of a product to determine if a product’s claims are a result of hidden trade-offs.

No Proof

“Any environmental claim that cannot be substantiated by easily accessible supporting information or by a reliable third party certification commits the Sin of No Proof” (TerraChoice 2007). Reliable green

products provide evidence to support its claims. Such evidence includes a third party certification, transparent processes, and a full list of ingredients or criteria. If the information needed to verify a claim is not available on the product's packaging, it should be accessible through the product's website. If the consumer does not have access to this type of information, the product may not be green. An example of a product providing no proof would be shampoo or conditioner that says "not tested on animals" but does not provide any evidence or third party certification to validate that claim (TerraChoice 2007).

Consumers should always look for supporting evidence to back up an environmental claim. A product's packaging can reveal a lot of information about how green the product actually is (Green Living Tips 2008). Reading the product's fine print and ingredients label can help prove or discredit the claims that are being made on its packaging.

Vagueness

Terms like "eco-friendly, green, and natural" are examples of vague claims. Many of these statements are poorly defined and have broad definitions. Therefore, their "meaning is likely to be misunderstood by the intended consumer" (TerraChoice 2007). Without elaborating about *how* a product is environmentally friendly, the claim is meaningless. For instance, some products may say "recycled content" but not specify the amount and type of recycled content used in producing it. In cases such as this, the consumer would have no way of knowing if the product is made from just 1% of recycled material (TerraChoice 2007).

When shopping for green products, consumers should look for specific claims. Vague claims may sound nice, but they mean nothing unless they are backed by supporting evidence. By understanding the environmental terminology used by marketers, consumers can avoid being lured by general claims. Consumers should also look at how the term is being used and what it applies to (Green Living Tips 2008) Appendix I provides a list of environmental terms and definitions.

False Labels

A false label gives the impression, through either words or images, of a third party endorsement where one does not actually exist (TerraChoice 2009). Consumer demand for third party certifications is on the rise, and some companies have exploited that demand by making fake labels. The study done by TerraChoice found that “a variety of products in the U.S. use certification-like images with green jargon like ‘eco-safe’, ‘eco-secure’, and ‘eco-preferred’” (TerraChoice 2009).

It’s important for consumers to be aware of the credible eco-labels that exist, so they can purchase genuinely green products. To verify that a certification is trustworthy, the consumer may have to do some research. A reliable third party certification shows the consumer that the product has been reviewed by an un-biased party and attests that a set of standards are being met. For a list of some credible third party certifications, see Appendix II.

Irrelevance

Claims that are true, but unimportant, are considered irrelevant (TerraChoice 2007). “The most frequent example of an irrelevant claim relates to chlorofluorocarbons (CFCs)” (TerraChoice 2007). CFCs were legally banned almost 30 years ago, so there are no products that are manufactured with them. Yet, some companies continue to label their products as “CFC-free” to try to gain a competitive advantage (TerraChoice 2007). Consumers need to be on the look-out for irrelevant claims, such as the one mentioned, so they can avoid those “green” products.

Fibbing

The most obvious type of greenwash is fibbing. This occurs when a company lies to the consumer. Most cases of fibbing happen when a company misuses or misrepresents a certification. For example, some personal care products may claim to be “certified organic” when in fact, there is no such certification (TerraChoice 2007).

Lesser of Two Evils

Claims commit “the Sin of Lesser of Two Evils when environmental qualifiers such as ‘organic’ or ‘green’ are placed on products in which the entire product category is of questionable environmental value” (TerraChoice 2007). These types of claims may be true, but distort the impacts that the product has on the environment. Examples include “organic cigarettes or green insecticides and herbicides” (TerraChoice 2007). Both of these products have negative effects on the environment and human health, so they cannot be truly green products.

Knowing what to look for on product packaging and in advertisements can help consumers avoid greenwash. However, there are more steps that can be taken to ensure a product’s green claims are valid. Researching a product or company can reveal a lot of important information that isn’t available on the product’s packaging. Consumers must also use their best judgment to help determine if a green product is legitimate.

Do Research

Going to a product’s or company’s website is a great way to find out more information to aid in the green purchasing process. If a product’s green claims are legitimate, the manufacturer’s website should provide the evidence needed to back up those claims. Consumers can also look at the company’s values to help make purchasing decisions. A company that takes part in other environmental initiatives can show that they are genuinely concerned about their impact on the environment.

In addition to doing research on the product or company’s website, consumers can do a Google search of the product to find more helpful information. There are numerous blogs and forums written by environmental enthusiasts who discuss green products (Green Living Tips 2008). Websites such as greenwashingindex.com, greenerchoices.org, and treehugger.com offer product reviews and tips for assessing green products.

Trust Instincts

Most people have the ability to tell when something doesn't sound right. When making green purchasing decisions, consumers should listen to their instincts. If they think the claims being made about the product are inadequate, chances are, they could be greenwash.

As environmental concerns increase, more consumers want to make informed choices about the environmental impacts of their purchases (Bounds 2009). In order to make educated buying decisions, consumers need to understand the green claims that are made by companies on product packaging. Looking for the signs of greenwash and taking further action to learn more about a product can help consumers to purchase products that are truly better for the environment.

Consumers should remember that there's no such thing as 100 percent green because every product uses some sort of energy to be produced and transported to them. However, some products are better for the environment than others. While knowing the signs of greenwash and how to avoid it is helpful, it's ultimately up to the consumer as to whether a product is "green" enough.

CONCLUSION

The green products marketplace has seen significant growth over the past few years because of an increase in the demand for products that are safer for the environment. Along with an increase in green purchases, there's been a rise in eco-labels and green advertising. Conversely, the trend in environmentally friendly products has created an opportunity for companies to take advantage of consumers by greenwashing. Due to the lack of universal definitions for environmental terms and government regulation, many companies continue to mislead consumers by making false claims on their product's packaging and advertising. Greenwashing is a problem because it misguides consumers and leads to confusion. It's also bad for the entire industry because the more companies are seen as greenwashing, the less likely customers will trust environmental claims in general. Ultimately, greenwash can slow down sustainability efforts and act as a barrier to developing a sustainable economy.

Although the Federal Trade Commission is working to prevent greenwash, it will remain a problem until federal legislation regarding green claims has been passed. Green certifications are also being used to help prevent greenwash. Consumers are catching on to greenwash and are beginning to seek out products with third party certifications. However, these types of certifications are not always used properly, so consumers must know how to identify a trustworthy green certification. Ideally, third-party certifications are the best way to substantiate green claims because they are unbiased and involve annual audits.

In order to avoid greenwash, consumers need to know what to look for on a product's packaging. There are seven signs of greenwash which include: the hidden trade-off, no proof, vagueness, false labels, irrelevance, fibbing, and the lesser of two evils. Consumers can also avoid greenwash by doing research, understanding the terminology, looking for reliable third-party certifications, carefully reading the product's label, and just trusting their instincts. By following these steps, consumers can recognize and avoid greenwash. Although, it's ultimately up to the consumer to determine if a product is green enough for them based on their own values.

APPENDIX I

FTC Definitions

Term	Definition
Degradable / Biodegradable / Photodegradable	The entire product or package will completely breakdown and return to nature, i.e. decompose into elements found in nature within a reasonably short period of time after customary disposal
Compostable	All materials in the product or package will break down into, or otherwise become part of, usable compost in a safe and timely manner in an appropriate composting program or facility, or in a home compost pile or device
Recyclable	The product can be collected, separated or otherwise recovered from the solid waste stream for reuse, or in manufacture or assembly of another package or product, through an established recycling program
Recycled Content	Materials that have been recovered or otherwise diverted from the solid waste stream, either during the manufacturing process (pre-consumer) or after consumer use (post-consumer).
Source Reduction	A product or package has been reduced or is lower in weight, volume, or toxicity
Ozone Safe / Ozone Friendly	The product does not contain any ozone-depleting substances
Eco-Friendly	Attribute(s) of the product have environmental benefits
Environmentally Safe	The product causes no significant harmful substances to be release to the environment

(Federal Trade Commission 2009)

EPA Definitions

Term	Definition
Biodegradable	Capable of decomposing under natural conditions
Compostable	Will decompose when put into a compost pile
Environmentally Friendly	Implies that the product is beneficial for the environment ; the use of the product improves environmental quality (few products can meet this standard) * <i>ambiguous, no precise or widely accepted definition</i>
Environmentally Preferable	Products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.
Environmental Sustainability	Maintenance of ecosystem components and functions for future generations
Ecological Impact	The effect that a man-caused or natural activity has on living organisms and their non-living environment
Organic	Referring to or derived from living organisms
Source Reduced	Refers to pollution prevention or solid waste reduction in the design, purchasing, and disposal phases of the product life cycle

(Environmental Protection Agency 2009)

GreenerChoices Definitions and Evaluations

Term	Definition	How meaningful is the claim?	Is the claim verified?	Type of Claim
Biodegradable	Implies that a product or its packaging will break down and return to nature within a reasonably short time after customary disposal	Somewhat meaningful	No	General
Earth Smart	Implies that the product or packaging has some kind of environmental benefit or that it causes no harm to the environment <i>*there is no standard definition</i>	Not meaningful	No	General
Eco Safe	Implies that the product or packaging has some kind of environmental benefit or that it causes no harm to the environment <i>*there is no standard definition</i>	Not meaningful	No	General
Environmentally Friendly	Implies that the product or packaging has some kind of environmental benefit or that it causes no harm to the environment <i>*there is no standard definition</i>	Not meaningful	No	General
Environmentally Preferable	Implies that the product or packaging has some kind of environmental benefit or that it causes no harm to the environment <i>*there is no standard definition</i>	Not meaningful	No	General
Environmentally Safe	Implies that the product or packaging has some kind of environmental benefit or that it causes no harm to the environment <i>*there is no standard definition</i>	Not meaningful	No	General
Green	Implies that the product or packaging has some kind of environmental benefit or that it causes no harm to the environment <i>*there is no standard definition</i>	Not meaningful	No	General

Natural	Implies that the product or packaging is made from or innate to the environment and that nothing artificial or synthetic has been added	Not meaningful	No	General
Non-toxic	Implies that a product, substance, or chemical will not cause adverse health effect, either immediately or over the long-term	Not meaningful	No	General
Recyclable	Implies that a product or its packaging can be collected, sorted and used for the manufacturing of new products and packaging	Somewhat meaningful	No	General



(GreenerChoices 2009)



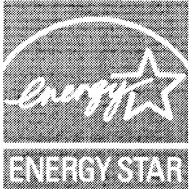
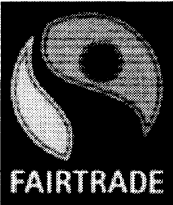
Other Definitions





Term	Definition	Source
Degradable	Able to rot away: able to undergo chemical or biological decomposition	(MSN Encarta Dictionary 2009)
Energy Efficiency	Technologies and measures that reduce the amount of electricity and/or fuel required to do the same work without reducing the end-use benefits	(Standard Renewable Energy 2009)
Eco-Friendly	Not harmful to the environment: intended or perceived to have no harmful effect on the natural environment and its inhabitants	(MSN Encarta Dictionary 2009)
Environmentally Friendly	Minimizing harm to the natural world: designed to minimize harm to the natural world	(MSN Encarta Dictionary 2009)
Green	1) Made with little environmental harm: produced in an environmentally and ecologically friendly way 2) Advocating protection of the environment	(MSN Encarta Dictionary 2009)
Natural	Present in or produced by nature, not artificial or synthetic	(MSN Encarta Dictionary 2009)
Nontoxic	Substances that are not harmful or destructive to human health	(Seventh Generation 2009)






APPENDIX II

Eco-Labels

Eco-Label	Certification Name	Governing Organization	Purpose	Products Covered	Requirements for Certification (Standards)
	Cradle to Cradle Certification	McDonough Braungart Design Chemistry (MBDC)	Provides companies with a means to tangibly, credibly measure achievement in environmentally-intelligent design	Baby Care, Bedding, Linens, Body Cleansers, Building Materials, Fabrics, Food and Beverages, Hair Care, etc.	Certification based on materials used, energy consumption, material reutilization, water consumption, and social responsibility
	Design for the Environment (DFE)	US Environmental Protection Agency	Helps consumers to quickly identify and choose products that can help protect the environment and are safer for families	Cleaning Products, Paint, Inks, Adhesives, Soluble Films	US EPA's DfE scientific review team looks at product ingredients and makes sure the product is best in its class

	ECOCERT	ECOCERT Control and Certification Body	Underlines and reinforces the environmental dimension of government health policies by providing concrete measures and recommendations for promoting organic products	Food, Cosmetics, Detergents, Textiles, Perfumes	Complying with ISO 14001 standards along with government regulations. To become certified, organization must complete application, pass inspections, and undergo yearly audits
	EcoLogo	EcoLogo	Provides customers with assurance that the products and services bearing the logo meet stringent standards of environmental leadership	Adhesives, Bags, Batteries, Health and Beauty Care, Candles, Chairs, Cleaners, Construction Materials, etc.	Standard Development and Review process that critically evaluates the environmental profile of the product or service
	Energy Star	U.S. Government - EPA and Department of Energy	Helps consumers save money and protect the environment through energy efficient products and practices	Appliances, Heating & Cooling, Water Heaters, Home Electronics, Office Equipment, Lighting, Commercial Food Service, Other Products	Products must meet energy efficiency guidelines set by the EPA and US Department of Energy
	Fairtrade	Fairtrade Labeling Organizations International (FLO)	Enables the empowerment of producers in developing countries	Bananas, Cocoa, Coffee, Cotton, Flowers, Fresh Fruit, Juices, Rice, Sports Balls	Minimum prices and premiums for certified products, prohibited materials, only certain countries apply

	Forest Stewardship Council (FSC)	The Forest Stewardship Council	Improve the practice of forestry by setting standards that are environmentally responsible, socially beneficial, and economically viable	Wood products	Company must follow the 10 principles and 57 criteria set by the council
	GOCA	Guaranteed Organic Certification Agency	Ensures ingredients are organic and no pesticides or harsh chemicals were used	Food, Cosmetics, Hair Care, etc. (complete list not available)	Standards provided by USDA's National Organic Program - **only certifies certain ingredients in a product
	Greenlist	SC Johnson	Helps consumers identify products that are environmentally responsible and deliver the performance they trust from SC Johnson	Home Cleaning Products	Products must go through the Greenlist process to classify ingredients by their impact on the environment and human health
	Green Seal	Green Seal Organization	Provides standards that are credible and transparent to show consumers that a product is environmentally responsible	Construction materials, household products, products in food and food service	Must meet environmental standards set for the company's industry

	GreenTick	GreenTick	Shows consumers that a product or service has been independently certified as environmentally sustainable	Any product or service	Certification based on a life-cycle assessment of the effects an operation has on the environment; criterion based on the latest international standards
	Leaping Bunny	Coalition for Consumer Information on Cosmetics (CCIC)	Guarantees products to be 100% free of new animal testing	Cosmetics	Company must prohibit animal testing in every phase of the product development process
	Natural Products Association Certified	Natural Products Association	To end the confusion of which natural personal care products truly qualify as "natural"	Dietary Supplements, Health and Beauty Products	All personal care products that are regulated and defined by the FDA are eligible for certification
	USDA Organic	USDA National Organic Program	Develops, implements, and administers national production, handling, and labeling standards for organic agriculture products	Cotton, Dairy, Fruit and Vegetables, Livestock and Seed, Poultry, and Tobacco	Standards vary by products but are based on measureable attributes that describe the value and utility of the product.
	WaterSense	U.S. Environmental Protection Agency (EPA)	Helps Americans choose products that are water-efficient	Faucets, Toilets, Showerheads, Irrigation Technology, etc.	Products must meet efficiency and performance criteria established by the EPA

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Recognizing and Avoiding Greenwash

By: Catherine Brake

Activity: Is this product green?

Recyclable Bottle

Features a label approximately **one-third** smaller than our previous label →

← Made with up to **30% less plastic***
*versus comparable size carbonated and non-carbonated beverages

← Flexible and easy to grab, carry and crush for recycling

Uses an average of
The ECO-Shape®
 30% less plastic

Fashionably thinner.

The Eco-Shape® bottle with **15% less plastic**
 We can all make a difference.

Please Recycle ♻️

Activity: Is this product green?



What are “Green” Claims?

- Public or private assertion incorporating some sort of environmental attribute
 - Result of green marketing
- Use of green claims on product packaging and in advertising is increasing
- However, “green” lacks a universal definition, so it can mean anything

What is Greenwashing?

- Term used to describe the act of misleading consumers regarding environmental practices (Greenpeace 2009)
- Companies can make their products appear to be safe for the environment by making simple packaging changes
- Three types of greenwash: misguided greenwash, unsubstantiated greenwash, and greenwash noise (GreenBiz 2009)

General “Green” Terms

- Green
 - All natural
 - Environmentally friendly
 - Non-polluting
 - Earth smart
 - Eco-safe
 - Environmentally preferable
 - Sustainable
- * no one definition has been universally accepted for these terms

Why is Greenwashing a Problem?

- Misguides consumers and leads to confusion
- Can decrease consumers' trust in companies
- Could potentially slow down sustainability efforts

What is Being Done to Prevent Greenwash?

- Currently no universally accepted guidelines for using green marketing claims in advertising and on product labels
- There's no federal legislation regulating green claims. However, the FTC and EPA help set voluntary guidelines.
- Some states have passed laws regulating green claims, but they differ from state to state

Federal Trade Commission and Environmental Protection Agency

- FTC issued guidelines, “Green Guides,” in 1992 which were intended to prevent greenwashing
 - outline principles that apply to all environmental claims and address the use of commonly used green marketing claims
- EPA sets national environmental standards and helps companies and consumers understand them
 - Also provides third-party environmental certifications

National Advertising Division (NAD)

- Nongovernmental organization that is working to promote accuracy through green marketing
 - Provides companies with voluntary, self-regulating guidelines
- Reviews complaints filed about misleading advertising

What Else is Being Done to Prevent Greenwashing?

- **Green certifications** are used to verify that a product meets specific standards and offer a way for consumers to determine a product's green qualifications (Zimmerman 2005)
- However, green certifications aren't always used properly

Types of Green Certifications

- Knowing what type of certification an eco-label is can help the consumer determine if it is legitimate
- Three types of green certifications
 - First-party (self-certification)
 - Not meaningful
 - Second-party (industry certification)
 - Somewhat meaningful
 - Third-party (independent certification)
 - Very meaningful

Evaluating Certifications

- Transparency is a very important factor
- Ask the following questions:
 - Is there a set of standards that must be met in order to achieve the certification?
 - Is there a process for verifying that a product, service, or person has met those standards?
 - Is there a system for auditing to ensure that the certification mark is being properly used and that the product or service continues to meet the standards over time?

Some Reliable Third-Party Green Certifications

- Design for the Environment 
- EcoLogo 
- Energy Star 
- Forest Stewardship Council 
- Green Seal 
- Leaping Bunny 
- USDA Organic 

How to Avoid Greenwash

- Know what to look for
- Seven signs of greenwash (TerraChoice 2009)
 - Hidden Trade-off
 - No Proof
 - Vagueness
 - False Labels
 - Irrelevance
 - Fibbing
 - Lesser of Two Evils

Examples of Specific Green Claims

- “Made with 80% post consumer material”
- “100% recyclable”
- “Not tested on animals” followed by the Leaping Bunny certification symbol
- “Chlorine-Free”
- “99% Natural”

How to Avoid Greenwash

- Do research
- Understand the terminology
- Look for reliable third-party certifications
- Read the fine print and the ingredients
- Trust your instincts

Let's Try the Activity Again

Recyclable Bottle

Features a label approximately one-third smaller than our previous label →

← Made with up to 30% less plastic*
*versus comparable size carbonated and non-carbonated beverages

← Flexible and easy to grab, carry and crush for recycling

Fashionably thinner.

The Eco-Shape bottle with 15% less plastic. We can all make a difference.

Uses an average of The ECO-Shape 30% less plastic

And Again..



Summary

- Green claims are all around us, but we can avoid them by knowing what to look for
- Reliable third-party certifications are an easy way to determine if a green product is truly “green”
- There is no such thing as a 100% green product
- In the end, it's up to the consumer to determine if a product is green enough for them